

The Washington City Council met in a regular session on Monday, December 9, 2013 at 5:30 pm in the City Council Chambers at the Municipal Building. Present were: Archie Jennings, Mayor; Bobby Roberson, Mayor Pro tem; Doug Mercer, Councilman; William Pitt, Councilman; Richard Brooks, Councilman; Brian M. Alligood, City Manager; Cynthia S. Bennett, City Clerk and Franz Holscher, City Attorney. Councilman Moultrie was absent from the meeting.

Also present were: Councilman Elect Larry Beeman; Mayor Elect Mac Hodges; Stacy Drakeford, Police & Fire Services Director; Robbie Rose, Fire Chief; Allen Lewis, Public Works Director; Keith Hardt, Electric Utilities Director; John Rodman, Community/Cultural Resources Director; Kristi Roberson, Parks and Recreation Manager; Susan Hodges, Human Resource Director; Gloria Moore, Library Director; Lynn Lewis, Tourism Director; David Carraway, IT Department and Mike Voss, Washington Daily News.

Mayor Jennings called the meeting to order. Councilman Mercer and Pastor Jay Martin delivered invocations.

APPROVAL OF MINUTES:

By motion of Councilman Mercer, seconded by Mayor Pro tem Roberson, Council approved the minutes of November 18 & 21, 2013 as presented.

APPROVAL/AMENDMENTS TO AGENDA:

By motion of Councilman Mercer, seconded by Mayor Pro tem Roberson, Council approved the agenda as presented.

***PRESENTATION OF MEMORIAL & RETIREMENT RESOLUTIONS**

Retirement Resolutions were presented or mailed to employees who retired in the past year:

Willie Blount: Dec. 1, 2012 – Utility Maintenance Crew Leader - 24 years 2 months

Glenn Cushing: March 1, 2013 – Treatment Plants Operations Supervisor – 31 years 10 months

Harry Lee Dawson: January 1, 2013 – Fire Shift Commander (Captain) – 24 years 5 months

Franklin Earl Godley: June 1, 2013 – Senior Equipment Operator – 29 years 9 months

Jasper Hardison: April 1, 2013 – Fire Division Chief – 28 years 9 months

Carol Newman: June 1, 2013 – Library Services Coordinator – 18 years 1 month

Jimmy Pollard: October 1, 2013 – Police Division Commander (Captain) – 29 years

Glenwood Whitehead: January 1, 2013 – Stormwater Maintenance Worker – 29 years 6 months



Mayor Jennings, Brian Alligood,
Mr. & Mrs. Glenn Cushing Allen Lewis & Adam Waters



Mayor Jennings, Brian Alligood, John Rodman
Gloria Moore & Carol Newman

**Memorial Resolutions were presented to the families of former employees who passed away
this past year:**

Lalla Hodges Sidbury – Retired March 1, 2003, Human Resources Director – 17 years 9 months

Linwood Dunn – Retired June 1, 2003, Distribution & Collection System Superintendent - 31 years 3 months

Sarah Moore – Retired January 1, 1982 – Accounting Supervisor – 20 years 10 months



Mayor Jennings, Forrest Sidbury, Brian Alligood - Allen Lewis, Forrest Sidbury, Frankie Buck (presentation to Public Works Dept. which was a retirement gift to Lalla from the Public Works Dept. -a plain simple cotton rag signed by every employee of the PW Dept., Forrest is giving it back to the PW Dept. to honor her memory and her love for the employees of Washington) Lalla Sidbury and Kasey of the Marion L. Shepard Cancer Center's Pet Partners



Mayor Jennings, Allen Lewis, Brian Alligood
Mrs. Anna Dunn(in memory of Linwood Dunn), Lane Dunn,
Tandy Dunn, Frankie Buck (Mrs. Anna Dunn expressed the
tremendous amount of love Linwood felt for the City and his
co-workers)



Mayor Jennings, Pat Lurvey (in memory of Sarah Smith
Moore) Brian Alligood (Pat Lurvey, a lifelong friend, accepted
the Resolution on behalf of the Moore family)

***PRESENTATION TO MAYOR JENNINGS & COUNCILMAN MOULTRIE**



**Mayor Archie Jennings & Councilmembers: William Pitt, Doug Mercer, Richard Brooks, Bobby Roberson
and Ed Moultrie**

Mayor Jennings stated this has been the greatest blessing of his life. He thanked the Citizens for letting him be their Mayor and City staff for allowing him to be their teammate. He thanked his family for sharing him and his time with the citizens and staff. Mayor Jennings said he is leaving the City in very good hands with the wealth of talent of the City Attorney, City Manager and City Clerk. He acknowledged Franz Holshcer and his contribution and work for the City. He thanked and acknowledged a great City Manager, Brian Alligood, he is the right person for this job for the longterm. Mayor Jennings thanked Cynthia Bennett and noted he felt she is the best clerk in the state and is certainly somebody that will be here longterm. Mayor Jennings thanked the Council members for serving with a servants heart. It has been his blessing and privilege to serve this City as Mayor. *With most sincere gratitude N. ARCHIE JENNINGS, III* is hereby awarded this Certificate of Appreciation for outstanding services and contributions as Mayor of the Washington City Council from December 2009 to December 2013 and as a Council Member from January 2006 to December 2009.

Mayor Jennings noted that Councilman Moultrie was unable to be here tonight as he has been called to Pastor another church. He expressed that Councilman Moultrie was not only a great Councilman and friend, but was the spiritual heart of the group. *With most sincere gratitude*

Rev. Edward Moultrie is hereby awarded this Certificate of Appreciation for outstanding services and contributions as a member of the Washington City Council from December 2009 to December 2013.

CONSENT AGENDA:

By motion of Councilman Mercer, seconded by Mayor Pro tem Roberson, Council approved the consent agenda as presented.

- A. Adopt - Resolution Fixing Date For Public Hearing On The Non-Contiguous Annexation Of Washington Montessori School

RESOLUTION FIXING DATE OF PUBLIC HEARING ON QUESTION OF ANNEXATION PURSUANT TO G.S. 160A-31

WHEREAS, a petition requesting annexation of the non-contiguous area described herein has been received; and

WHEREAS, the City Council has by resolution directed the City Clerk to investigate the sufficiency of the petition; and

WHEREAS, certification by the City Clerk as the sufficiency of the petition has been made; NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Washington, North Carolina that:

Section 1. A public hearing on the question of annexation of the noncontiguous area described herein will be held at the City Council Chambers on the 2nd floor of the municipal building located at 102 East 2nd Street at 6:00 p.m. on Monday, January 13, 2014.

Section 2. The area proposed for annexation is described as follows:
Being 6.95 acres of land noted on the survey "Asbury Methodist Church" by Bryant Hardison, Jr., PLS dated July 10, 2012 and being located in Long Acre Township, Beaufort County North Carolina and being more particularly described as follows;

See Attached Map

Together with and subject to covenants, easements and restrictions of record. Said property to be annexed contains 6.95 acres.

Section 3. Notice of the public hearing shall be published once in the Washington Daily News, a newspaper having general circulation in the City of Washington, at least ten (10) days prior to the date of the public hearing.

Adopted this the 9th day of December, 2013.

ATTEST:

s/ Cynthia S. Bennett
City Clerk

s/N. Archie Jennings, III
Mayor



- B. Adopt – Resolution Fixing Date For Public Hearing On The Non-Contiguous Annexation Of West Park Motors
- C.

**RESOLUTION FIXING DATE OF PUBLIC HEARING ON QUESTION OF
ANNEXATION PURSUANT TO G.S.160A-31**

WHEREAS, a petition requesting annexation of the contiguous area described herein has been received; and

WHEREAS, the City Council has by resolution directed the City Clerk to investigate the sufficiency of the petition; and

WHEREAS, certification by the City Clerk as the sufficiency of the petition has been made;
NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Washington, North Carolina that:

Section 1. A public hearing on the question of annexation of the noncontiguous area described herein will be held at the City Council Chambers on the 2nd floor of the municipal building located at 102 East 2nd Street at 6:00 p.m. on Monday, January 13, 2014.

Section 2. The area proposed for annexation is described as follows:

Being 4.62 acres of land noted on the survey "Map Showing Area Annexed By City of Washington" by Mike Baldwin, PLS dated November 7, 2013 and being located in Washington Township, Beaufort County North Carolina and being more particularly described as follows;

See Attached Map

Together with and subject to covenants, easements and restrictions of record. Said property to be annexed contains 4.62 acres.

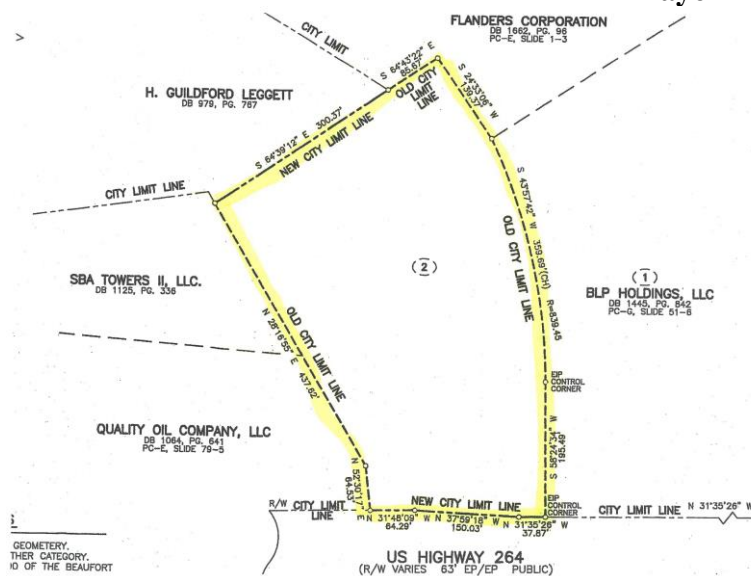
Section 3. Notice of the public hearing shall be published once in the Washington Daily News, a newspaper having general circulation in the City of Washington, at least ten (10) days prior to the date of the public hearing.

Adopted this the 9th day of December, 2013.

ATTEST:

s/ Cynthia S. Bennett
City Clerk

s/N. Archie Jennings, III
Mayor



- D. Adopt – Ordinance To Amend Chapter 2, Administration By Adding A New Article XXIII, Waterfront Docks Advisory Committee
- An Ordinance to Amend Chapter 2, Administration, of the
Code of Ordinances of the City of Washington by Creating a
Waterfront Docks Advisory Committee**

WHEREAS, NCGS 160A-361 authorizes local governments to amend ordinances to create or designate one or more boards or commissions to perform specific duties; and

WHEREAS, the City of Washington has created a Waterfront Docks Advisory Committee in order to provide recommendations to the City Council, City Manager, and Director of Community and Cultural Services regarding the management of the waterfront docks; and

WHEREAS, said advisory committee, representing stakeholder interests, can greatly assist in making recommendations, clarifying positions on waterfront dock issues, identifying opportunities for development and helping achieve goals and objectives concerning the Washington waterfront docks.

THEREFORE, BE IT ORDAINED by the City Council of the City of Washington, North Carolina:

Section 1. That a new **Article XXIII, Waterfront Docks Advisory Committee**, under Chapter 2 is added as follows:

Sec. 2 - 620. Created.

A Waterfront Docks Advisory Committee ("Committee") is hereby created under the authority of G.S. 160A-361 and by Resolution of the Washington City Council.

Sec. 2 - 621. Composition.

(a) *Membership, appointment, and term.* The Committee shall consist of five (5) members, all of whom shall be appointed by City Council. Three (3) members shall be residents of the City at the time of their appointment. Two (2) members shall be recommended by the Washington Harbor District Alliance's Maritime Committee. Of the initial appointments, two (2) shall expire on June 30, 2015 and three (3) shall expire on June 30, 2016. Thereafter, members shall be appointed by the City Council to serve for three (3) year staggered terms. The Dock Master will serve as an ex-officio member of the Committee. There shall also be a member from the Recreation Advisory Committee appointed to serve as an ex-officio member of the Committee. Members shall be eligible for appointment, be appointed, serve, attend meetings of the Committee, and be subject to removal in accordance with the provisions of section 2-531.

(b) *Attendance, vacancies, and compensation.* In accordance with section 2-531, any member who has three (3) unexcused absences in a twelve-month period may be replaced at the discretion of the City Council. Vacancies occurring for other than expiration of a term shall be filled as they occur through appointment by the City Council for the remainder of the unexpired term. Members shall serve without compensation.

(c) *Qualifications.* Members shall represent and have a variety of knowledge of, as well as background in, waterfront docks and/or water-based activities. Members shall be citizens of recognized ability and good judgment as well as standing, who, in the opinion of City Council, can and will perform their official duties in the best interest of the City of Washington, the waterfront docks, and the users thereof.

Sec. 2 - 622. Organization, Meetings, Rules and Procedure, and Records.

(a) *Organization.* Within thirty (30) days of its initial appointment, the Committee shall meet and elect one of its members Chairman and create as well as fill such other offices as the Committee may determine are desirable. The Chairman shall serve for one (1) year unless his term as a Committee member shall expire in less than a year; in which event, his term as Chairman shall expire with his term and his replacement shall be elected by the Committee consistent herewith. A former Chairman may be eligible for re-election as Chairman in the discretion of the Committee. Staff assistance will be provided to the Committee by the Department of Community and Cultural Services along with the Dock Master.

(b) *Meetings.* The Committee shall establish a schedule of regular meetings that shall occur at least monthly and cause a current copy of that schedule, showing the designated time and place of regular meetings, to be kept on file with the City Clerk. Any other meeting of the Committee may be scheduled in conformity with the legal requirements applicable to meetings of public bodies. Committee meetings shall be open to the public and may include a period for general public comment in the discretion of the Committee.

(c) *Procedure.* In accordance with section 2-532, the Committee shall adopt the Second Edition (1998) of Suggested Rules of Procedure for Small Local Government Boards, by Fleming Bell, II, published by the School of Government, University of North Carolina at Chapel Hill, with modifications included in the document, to be its parliamentary procedural rules governing its meetings.

(d) *Records.* The Committee shall keep full and accurate minutes of all official meetings, including minutes and a general account of any closed sessions, and shall otherwise conform with the legal requirements applicable to meetings of public bodies.

Sec. 2 - 623. Duties.

The Committee shall act as an advisory board to the City Council, City Manager and Director of Community and Cultural Services and provide recommendations regarding the management of the waterfront docks. Committee members shall assist in clarifying positions on waterfront dock issues, identifying opportunities for development and helping achieve goals and objectives concerning the Washington waterfront docks. The Committee is formed for specific activities with the expectation that the Committee will report to City Council on a monthly basis or as determined to be needed. The Committee shall also perform other duties as the City Council may direct.

Section 2. This Ordinance shall become effective upon its adoption.

Section 3. All Ordinances or parts in conflict herein are repealed.

Adopted this 9th day of December, 2013.

ATTEST:

s/ Cynthia S. Bennett
City Clerk

s/N. Archie Jennings, III

E. Approve – Purchase Orders > \$20,000

*Requisition #13786, \$26,402.41, to Feyer Ford Lincoln Mercury, Inc., to replace emergency fire utility vehicle # 248, a 2000 model Jeep, 122,565 miles, account 10-10-4340-7405. Funds will be transferred from the Police Department's installment purchase account to the Fire Department to cover the budget shortfall of \$1,402.41. Feyer Ford Lincoln Mercury, Inc. is matching State contract pricing on this purchase.

*P.O. #51277, \$48,749.20, Capital Ford, Inc., to replace Police vehicle #s 130 and 150, 2007 model Ford Crown Victoria's, 91,745 & 125,690 miles, account 10-10-4310-7405. These are State contract price purchases.

F. Adopt – Budget Ordinance Amendment For The Jimmy Davis Settlement - \$33,831

**AN ORDINANCE TO AMEND THE BUDGET ORDINANCE
OF THE CITY OF WASHINGTON, N.C.
FOR THE FISCAL YEAR 2013-2014**

BE IT ORDAINED by the City Council of the City of Washington, North Carolina:

Section 1. That the following account of the General Fund revenue budget be increased by the amount indicated to provide funds for the Jimmy Davis settlement:

10-00-3991-9910	Fund Balance Appropriated	\$ 33,831
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Section 2. That the following account of the General Fund appropriations budget be increased by the amount indicated:

10-00-4150-0401	Other Attorney Fees	\$ 28,458
10-00-4400-5701	Miscellaneous Expense	<u>5,373</u>
	Total	\$ 33,831

Section 3. All ordinances or parts of ordinances in conflict herewith are hereby repealed.

Section 4. This ordinance shall become effective upon its adoption.

Adopted this the 9th day of December, 2013.

ATTEST:

s/ Cynthia S. Bennett
City Clerk

s/N. Archie Jennings, III
Mayor

COMMENTS FROM THE PUBLIC: None

PUBLIC HEARING ON ZONING: None

PUBLIC HEARING – OTHER:

**PUBLIC HEARING – BEAUFORT COUNTY COMPREHENSIVE TRANSPORTATION
PLAN RECOMMENDATIONS AND PROBLEM STATEMENTS**

Mayor Jennings opened the public hearing and Bryant Buck, Planning Director for the Mid-East Commission and Mid-East RPO explained the Comprehensive Transportation Plan is a long range planning tool that identifies major transportation improvements that will be needed over the next 25-30 years. Mr. Buck noted this process began about two years ago, meeting with Beaufort County and the Mid-East RPO, of which the City and Beaufort County are members. There have been numerous public input sessions held as well as solicitations from citizens. The document has been posted in public libraries. Recently at a Mid-East RPO meeting, Mr. Gil Alligood from the Warren Field Airport Advisory Board requested the inclusion of the Warren Field Airport in this plan. After discussions with the engineer from the State, the airport will be included in the document portion of the plan.

Mayor Pro tem Roberson and Councilman Mercer noted they have had discussions with Mr. Buck and are satisfied that it will be included. Councilman Mercer felt that the resolution needs to be amended to include wording regarding the inclusion of the airport in the plan.

Mayor Jennings called for comments from the public. Mr. Gil Alligood, Warren Field Airport Advisory Board noted that two meetings have been held requesting the inclusion of the airport in this plan and suggested that Council carefully review the plan to insure its inclusion.

There being no further comments from the public, Mayor Jennings closed the public hearing.

By motion of Councilman Mercer, seconded by Mayor Pro tem Roberson, Council approved the Resolution Adopting a Comprehensive Transportation Plan for Beaufort County, North Carolina with inclusion of Warren Air Field Transportation Improvement Program, supporting current and future project needs noted in final document.

**RESOLUTION ADOPTING A COMPREHENSIVE TRANSPORTATION PLAN
FOR BEAUFORT COUNTY, NORTH CAROLINA WITH INCLUSION OF WARREN
AIR FIELD TRANSPORTATION IMPROVEMENT PROGRAM, SUPPORTING
CURRENT AND FUTURE PROJECT NEEDS NOTED IN FINAL DOCUMENT**

WHEREAS, Beaufort County and the Transportation Planning Branch, North Carolina Department of Transportation actively worked to develop a comprehensive transportation plan for Beaufort County; and

WHEREAS, the County and the Department of Transportation are directed by North Carolina General Statutes 136-66.2 to reach agreement for a transportation system that will serve present and anticipated volumes of traffic in the County; and

WHEREAS, it is recognized that the proper movement of traffic within and through Beaufort County is a highly desirable element of the comprehensive plan for the orderly growth and development of the County; and

WHEREAS, after full study of the plan, and following a public hearing, the City of Washington City Council feel it to be in the best interest of Beaufort County to adopt a plan pursuant to General Statutes 136-66.2;

NOW THEREFORE, BE IT RESOLVED: that the Beaufort County Comprehensive Transportation Plan as shown on a map dated October 17, 2013, be approved and adopted as a guide in the development of the transportation system in Beaufort County and the same is hereby recommended to the North Carolina Department of Transportation for its subsequent adoption.

ADOPTED, this the 9th day of December 2013.

ATTEST:

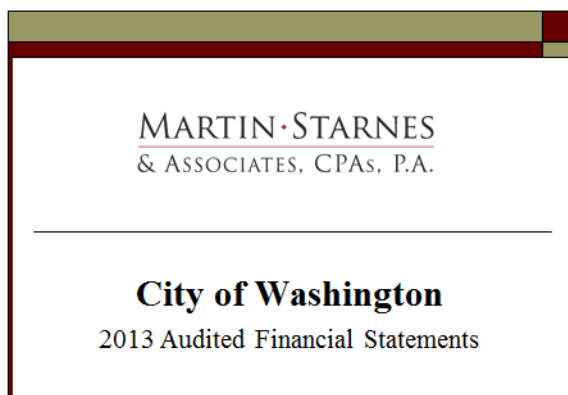
s/ Cynthia S. Bennett
City Clerk

s/N. Archie Jennings, III
Mayor

SCHEDULED PUBLIC APPEARANCES:

**CRYSTAL W. ROBERTS (MARTIN - STARNES & ASSOCIATES, CPA'S, P.A.)
– COMPREHENSIVE ANNUAL FINANCIAL REPORT**

Crystal W. Roberts, Martin – Starnes & Associates, CPA's, P.A. presented the audit results to Council. Council discussed revenues versus expenditures as well as debt service.

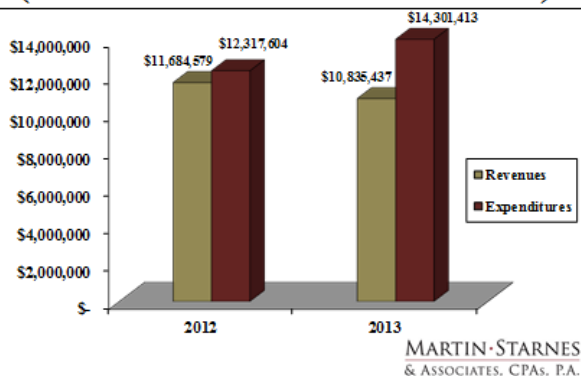


Audit Highlights

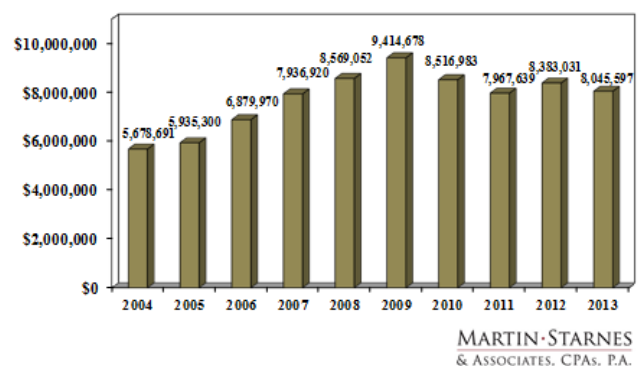
- ❑ Unmodified opinion
- ❑ No significant deficiencies or material weaknesses in internal control
- ❑ Implemented GASB 63 & 65
- ❑ Cooperative staff

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& ASSOCIATES, CPAs, P.A.

**General Fund Revenue and Expenses
(before Transfers and Debt Issued)**



Fund Balance – General Fund



Available Fund Balance

Available fund balance as defined by the Local Government Commission (LGC) is calculated as follows:

Total Fund Balance
Less: Non spendable (not in cash form, not available)
Less: Stabilization by State Statute (by state law, not available)
Available Fund Balance

This is the calculation utilized as the basis for comparing you to other units and calculating your fund balance percentages.

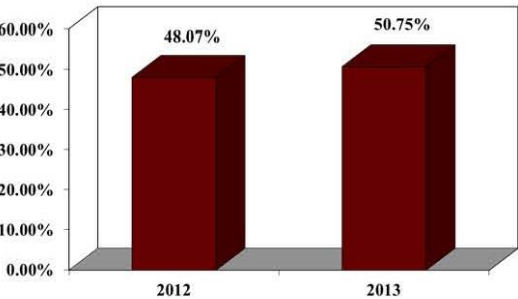
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& ASSOCIATES, CPAs, P.A.

Fund Balance Position-General Fund

□ Total Fund Balance	\$ 8,045,597
Non spendable	- 121,327
Stabilization by State Statute	- 1,616,400
□ Available Fund Balance	\$ 6,307,870
□ Available Fund Balance 2012	\$ 6,142,129
□ Increase in Available FB	\$ 165,741

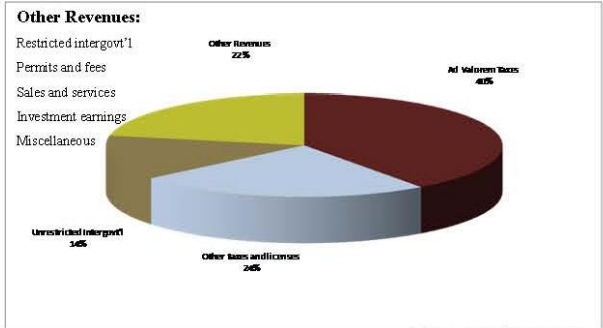
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Available Fund Balance as a Percent of Expenditures – General Fund



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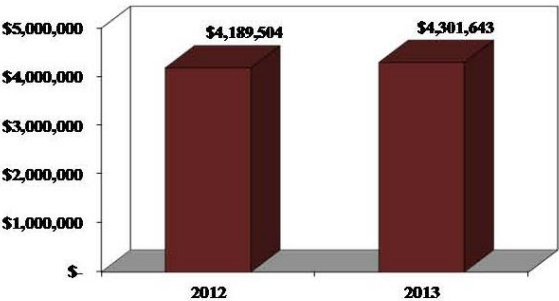
Top 3 Revenues: General Fund



Top 3 comprise \$8,423,969 (78%) of revenues

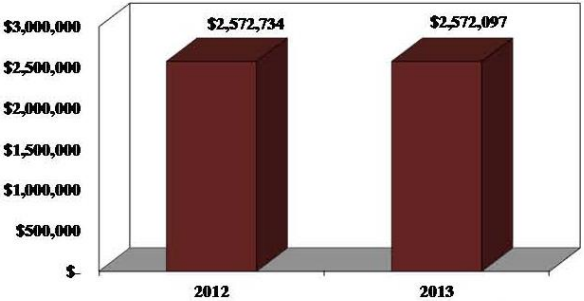
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Ad Valorem Taxes



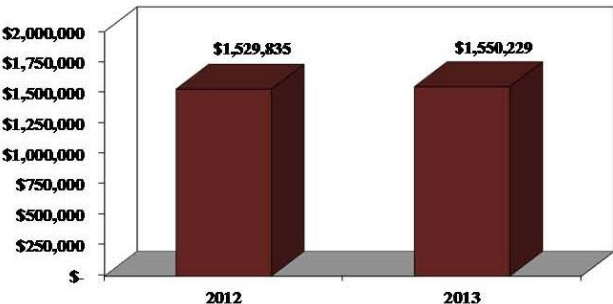
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Other Taxes and Licenses



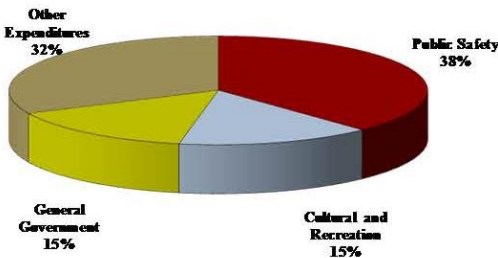
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Unrestricted Intergovernmental



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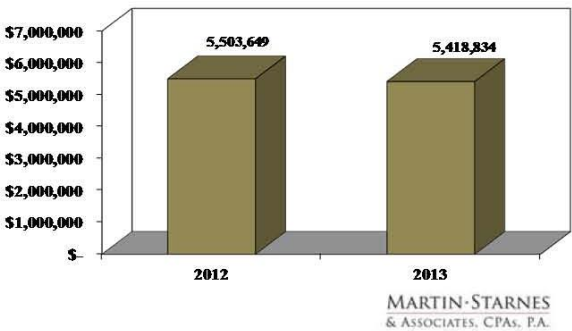
Top 3 Expenditures: General Fund



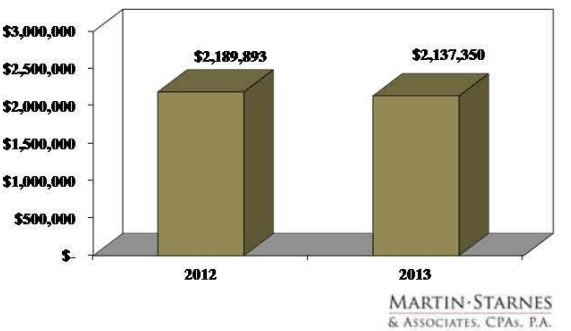
Top 3 Comprise 68% of Total Expenditures
Expenditures Total \$14,301,413

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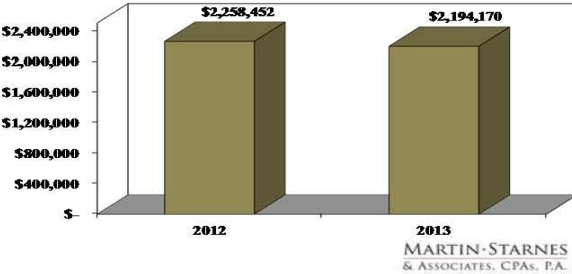
Public Safety



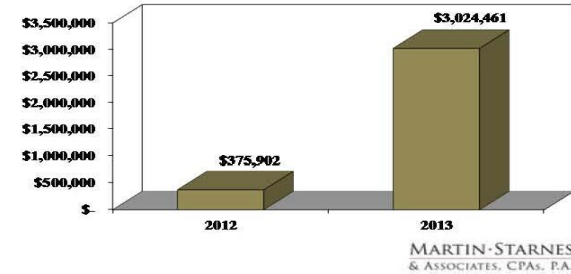
Cultural and Recreation



General Government



Debt Service

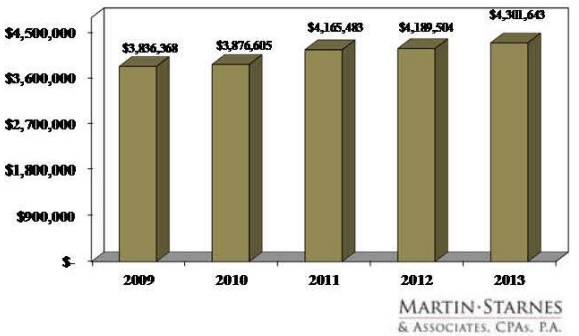


Other Governmental Funds

✓ Total Revenues 2013	\$ 579,098
✓ Total Expenditures 2013	677,721
✓ Other Financing Sources	97,001
✓ Net Change in Fund Balance	(1,622)
✓ Ending Fund Balance	1,613,709

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Property Tax Trend for Collections in the
Fiscal Year of the Levy



Enterprise Funds
Operating Income (Loss)
Modified Accrual

	Water	Sewer	Electric	Stormwater Utility	Non Major
Income/loss	218,604	155,053	(259,917)	(100,446)	(60,387)
Transfers out	(100,609)	(69,178)	(944,829)	-	(325,200)
Income/loss before incoming transfers	117,995	85,875	(1,204,746)	(100,446)	(385,587)
Debt issued	-	-	430,805	-	35,000
Transfers In	-	2,863	-	-	204,073
Total Income (Loss)	117,995	88,738	(773,941)	(100,446)	(146,514)

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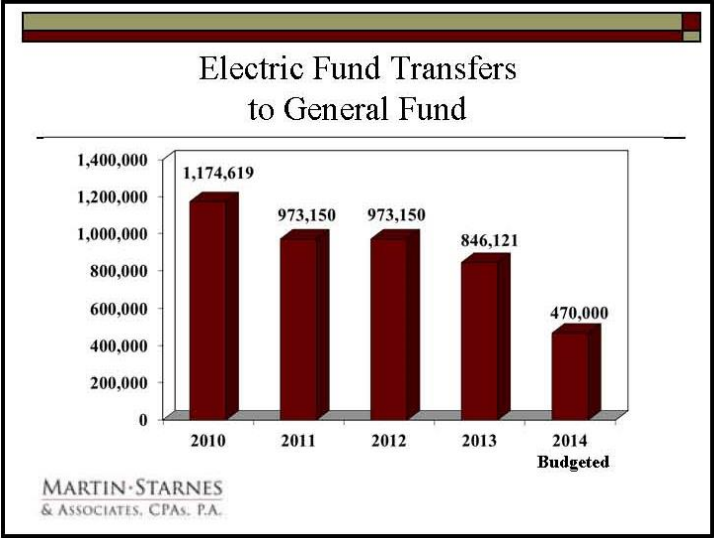
Enterprise Funds
Available Resources for Future Obligations
June 30, 2013

	Water	Sewer	Electric	Stormwater Utility	Nonmajor
Unrestricted Cash and Investments	\$ 1,936,635	\$ 2,357,705	\$ 5,063,190	\$ 435,744	\$ 942,930
Accounts Receivable/Due from	504,946	392,523	4,231,786	65,875	623,109
Available resources	2,441,581	2,750,228	9,294,976	\$01,619	1,566,039
Current Liabilities	250,524	531,680	4,160,137	354,415	554,607
Total Available for non-current obligations	\$ 2,191,057	\$ 2,218,548	\$ 5,134,839	\$ 147,204	\$ 1,011,432
Annual Operating Expenses					
Cash Basis	\$ 2,752,960	\$ 2,894,020	\$ 35,948,140	\$ 694,621	\$ 2,582,390
2013 Available resources as a % of expenditures	80%	77%	14%	21%	39%
2012 Available resources as a % of expenditures	72%	72%	15%	-17%	37%
Total General Fund fund balance as a % of General Fund expenditures is 50.73%					

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Electric Fund Available Resources for Future Obligations					
	2009	2010	2011	2012	2013
Unrestricted Cash and Investments	\$ 5,005,008	\$ 4,938,216	\$ 4,930,562	\$ 5,185,729	\$5,063,190
Accounts Receivable Due from	4,028,634	4,439,444	5,143,337	4,724,608	4,231,786
Available resources	9,033,642	9,367,260	10,073,919	9,910,337	9,294,976
Current Liabilities	4,649,687	4,673,116	4,481,701	4,261,635	4,160,137
Total Available for non-current obligations	\$ 4,383,955	\$ 4,694,144	\$ 5,592,218	\$ 5,648,682	\$5,134,839
Annual Operating Expenses Cash Basis	\$ 37,235,460	\$ 38,527,477	\$ 37,337,751	\$ 36,712,756	\$35,948,140
Available resources as a % of expenditures	12%	12%	15%	15%	14%

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& ASSOCIATES, CPAs, P.A.



Councilman Mercer requested Council receive a draft copy of the report instead of waiting for final approval from the LGC in order to allow more time to review the document.

CORRESPONDENCE AND SPECIAL REPORTS:

MEMO - GRANT UPDATES

The grant updates were accepted as presented and Brian Allgood, City Manager explained the updates will become part of the Committee of the Whole agenda.

MEMO – RECOMMENDATION REGARDING REQUEST FOR RELEASE FROM ELECTRIC SERVICE

(memo from Keith Hardt, Electric Director)

On 18 November 2013 Mr. Morgan of 5216 River Road appeared before the Washington City Council to request a release from their electric service from the City so as to take service from Tideland EMC. The City Council informed Mr. Morgan that they would take his request under advisement and return their decision. I recommend that the City Council take no action and deny Mr. Morgan's request for release. I base my recommendation on the following points:

- 1) The North Carolina electric territory law allows a utility to serve a premises (customer location) as long as that premises exists. (i.e. once a customer is served by an electric utility that customer shall always be served by that utility) By releasing a customer from the service requirement we would go against the intent of the NC territorial law.
- 2) There may be implications with the bond covenants of the North Carolina Eastern Municipal Power Agency (NCEMPA). (see attached) These covenants do not allow the City of Washington to sell or eliminate a customer or portion of the electric system that would have material adverse effect on the revenues or operations of the City's electric system. One customer released from service of the City may not contribute to an "adverse effect", but allowing this release would open the door to many customers requesting the same release. Once the precedent is set if a large number of customers left the electric system NCEMPA could determine that there is an "adverse effect" on the City's system. I ask that the City Council think of the long term ramifications of allowing this release. If a precedent is set it could have a large impact on the operating revenue of the, electric fund. (end memo)

Council accepted the memo as presented.

MEMO - GENERAL FUND BUDGET TRANSFER

The Budget Officer transferred \$2,500 of funding between the Police and Fire Department of the General Fund to provide additional funds needed to purchase a fire utility vehicle.

From Account: 10-00-4310-7405 - \$2500
To Account: 10-00-4340-7405 - \$2500

Council accepted the memo as presented.

REPORTS FROM BOARDS, COMMISSIONS AND COMMITTEES:
FINANCIAL REPORTS (EMAILED AS AVAILABLE)

OLD BUSINESS:

**AUTHORIZE – CITY MANAGER TO EXECUTE AN AGREEMENT WITH EMS
MANAGEMENT & CONSULTANTS (item pulled from agenda)**

**AWARD & APPROVE – TENTATIVELY AWARD CONTRACT FOR TERMINAL
BUILDING CONSTRUCTION AT WARREN FIELD TO A.R. CHESSON
CONSTRUCTION CO., AND APPROVE GRANT PROJECT ORDINANCE
AMENDMENT AND APPROVE CORRESPONDING PURCHASE ORDER**

Brian Alligood, City Manager noted that the agenda packet contains a letter and bid tabulation sheet from John Massey, P.E., of Talbert and Bright, our airport engineers, we received bids from five (5) companies for this work. A.R. Chesson Construction Company was the low bidder. The bids have been reviewed by the NCDOT – Division of Aviation, and have met their approval.

Funding for this work is coming from three (3) sources; \$500,000 in NC Division of Aviation grant funds, \$199,277 in Vision 100 airport funds, and \$200,628.50 in insurance proceeds. The attached grant project ordinance amendment also reflects the site preparation work that was approved at the November 18 Council meeting. Previous legislative action: awarded site prep work to B.E. Singleton & Sons 11-18-13. There is enough funding to cover this project without having to go into Fund Balance.

By motion of Mayor Pro tem Roberson, seconded by Councilman Mercer, Council tentatively awarded the contract for terminal building construction at Warren Field Airport to A.R. Chesson Construction Co., approved the grant project ordinance amendment and approved the corresponding purchase order.

**AN ORDINANCE TO AMEND THE GRANT PROJECT ORDINANCE FOR THE
AIRPORT TERMINAL GRANT PROJECT
CITY OF WASHINGTON, N.C.
FOR THE FISCAL YEAR 2013-2014**

BE IT ORDAINED by the City Council of the City of Washington, North Carolina:

Section 1. That the following accounts in the Airport Terminal Grant Project revenue budget be increased the following amount to provide funds for the construction bid, site preparation engineering and site preparation:

66-90-3490-0005	Insurance Proceeds	\$130,702
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Section 2. That the following accounts in the Airport Terminal Grant Project expenditure budget be increased or decreased the following amounts to provide funds for the construction bid, site preparation engineering and site preparation:

66-90-4530-0401	Site Preparation Engineering	\$ 12,146
66-90-4530-0400	Professional Services	(47,000)
66-90-4530-2102	Rental Building	(1,200)
66-90-5430-4501	Site Preparation	37,016
66-90-4530-4500	Construction	199,906
66-90-4530-9900	Contingency	<u>(70,166)</u>
	Total	\$ 130,702

Section 3. All ordinances or parts of ordinances in conflict herewith are hereby repealed.

Section 4. This ordinance shall become effective upon its adoption.

Adopted this the 9th day of December, 2014.

ATTEST:

s/ Cynthia S. Bennett
City Clerk

s/N. Archie Jennings, III
Mayor

**AUTHORIZE & APPROVE – CITY MANAGER TO EXECUTE WORK
AUTHORIZATION WITH TALBERT & BRIGHT AND APPROVE CORRESPONDING
PURCHASE ORDER**

City Manager, Brian Alligood explained that Talbert and Bright, our airport engineers, have submitted a proposal for a work authorization in the amount of \$90,815 for the construction administration phase of the new terminal construction work. Funds from the insurance proceeds of the damages as a result of the July 1, 2012 "gustnado" will be utilized for this work. The work scope and fee have been reviewed and approved by the NC Division of Aviation.

By motion of Councilman Pitt, seconded by Councilman Brooks, Council authorized the City Manager to execute the work authorization with Talbert & Bright for construction administration phase services for the new terminal building at Warren Field Airport and approved the corresponding purchase order.

**AWARD & APPROVE – LEAD ABATEMENT RENOVATION CONTRACT TO
UTILITY SERVICE CO., INC. AND APPROVE CORRESPONDING PURCHASE
ORDER**

City Manager, Brian Alligood expressed that the water tank off 3rd Street near Veteran's Park is in need of painting. As a result of the lead based paint that was used in the past flaking off, we need to completely remove the existing paint to the bare metal, prime and repaint the tank. To do this requires that the abrasive blasting operation be done in such a way as to be contained on site until it can be properly disposed of. Staff requested proposal from our current tank maintenance contractor, Utility Service Co., Inc., as well as two additional companies specializing in this type of work. Utility Service Co., Inc. was the low bidder. Staff recommends awarding this work to them. As in the past, they have agreed to spread the payment for this work out over five (5) years at a cost of \$41,377.60 per year.

Global Tank and Tower LLC	\$325,682.00
R.E. McLean Tank Co. Inc.	\$362,400.00
Utility Service Co. Inc.	\$206,888.00

By motion of Councilman Mercer, seconded by Councilman Brooks, Council awarded a lead abatement maintenance contract to Utility Service Co., Inc., in the amount of \$206,888 and approved the corresponding purchase orders.

**DISCUSSION – NORTHGATE SUBDIVISION SIDEWALK INSTALLATION
(NO WRITE-UP)**

Brian Alligood, City Manager noted that at the last Council meeting there was some discussion regarding sidewalk installation at Northgate Subdivision and staff was directed to have conversations with Jason Briley and his legal counsel. Staff, Mayor Pro tem Roberson, Franz Holscher, City Attorney met with them last week. Due to scheduling conflicts, we were unable to get everyone together until late last week. We anticipate a proposal to be presented to Council at the January 13th meeting.

DISCUSSION – COUNCIL'S COMPENSATION (NO WRITE-UP)

City Manager, Brian Alligood explained that this topic is in regards to discussion held at the last Council meeting regarding salary and missed meetings, unexcused missed meetings and how to tie that in to Council's pay. In conversations with staff at the School of Government, what they've said is there's no authority in the General Statutes to penalize members for missed meetings, although, you can do an incentive for attending the meeting. Changes regarding Council salary can only be done at budget time. Council reminded staff to include this topic in the budget discussions.

**DECLARE – ELECTION RESULTS OFFICIAL AND SEATS TO BE VACANT
(NO WRITE-UP)**

Mayor Jennings thanked Superior Court Judge Wayland Sermons for taking part and administering the oath in these proceedings. Mayor Jennings stated the elections results have been declared official by the Board of Elections.

Mayor: Mac Hodges: 955 votes
Carter Leary: 97 votes
Council: Bobby Roberson: 704 votes
Larry Beeman: 601 votes
Doug Mercer: 663 votes
Richard Brooks: 598 votes
William Pitt: 596 votes
Gil Davis: 556 votes
Ty Carter: 508 votes
Lloyd May: 464 votes

RECESS

**ADMINISTRATION OF OATHS – SENIOR RESIDENT SUPERIOR COURT JUDGE
WAYLAND SERMONS**

Wayland Sermons, Senior Resident Superior Court Judge, administered the Oath of Office to Mayor Mac Hodges and then to the newly elected Council members: Doug Mercer, Larry Beeman, William Pitt, Richard Brooks and Bobby Roberson. Former Mayor Jennings and Mayor Mac Hodges performed the passing of the gavels. Mayor Hodges thanked Archie Jennings, Councilmembers, City Attorney, City Manager and City Clerk for their guidance, instruction and assistance provided to him. He further thanked Judge Sermons for administering the oaths and thanked the citizens of Washington for electing him. Councilman Mercer acknowledged the presence of Mayor Hodges mother at the meeting. Councilman Brooks stated that we are supposed to be our brother’s keeper and we will work together to do what’s best for the citizens of Washington.



NOMINATION OF MAYOR PRO TEM

Mayor Hodges called for nominations for Mayor Pro tem. Councilman Mercer nominated Bobby Roberson as Mayor Pro tem, Councilman Beeman seconded the nomination. There being no further nominations, Council unanimously elected Bobby Roberson as Mayor Pro tem. Mayor Pro tem Roberson stated he looks forward to working with the new Council.

NEW BUSINESS:

ADOPT - FY2014/2015 BUDGET SCHEDULE

City Manager, Brian Alligood recommended Council’s approval of the budget schedule as presented. Councilman Mercer noted he would like to see Council move forward with this process as early as possible.

Scheduled		
Week Of	Status	Budget Task
12/2/2013		CIP worksheets distributed to Management Team
12/30/2013		CIP worksheets due back to Finance
1/6/2014		Budget Packets Distributed to Management Team
1/6/2014		Outside Agency Budget Requests Distributed
1/20/2014		Budgetary & Strategic Planning Retreat With Council (Civic Center)
1/20/2014		CIP Submitted to Finance
1/27/2013		Revenue Estimate- Finance
1/27/2014		Fees & Charges Schedules Distributed
1/27/2014		Budget Goals Provided to Management Team
2/10/2014		Budgets Submitted to Finance
3/3/2014		Budget Compiled by Finance
3/10/2014		Budget & CIP Review with Manager- General Fund
3/10/2014		Budget & CIP Review with Manager- Water/Sewer/Storm Water/Solid Waste/Cemetery Funds
3/10/2014		Budget & CIP Review with Manager- Electric Fund
3/31/2014		Manager's Recommended Budget & CIP Presented to Council
3/31/2014		Budget Available for Public Viewing at City Clerk's Office
4/7/2011		Council Budget Questions/Clarification to City Manager (due by the end of the week, 4/11/14)
4/21/2014		Budget Workshop - Continuation Budget & 2014/2015 CIP
4/21/2014		Budget Workshop - Expansion Budget
4/21/2014		Advertise Public Hearing for Budget
5/12/2014		Public Hearing- Budget
6/9/2014		Budget Adopted
6/16/2014		Budget & CIP Posted to Web Site

**AUTHORIZE – CITY MANAGER TO GIVE FLANDERS FILTERS AN
ADDITIONAL TWO YEAR SEWER OVERBILLING ADJUSTMENT**

Brian Alligood, City Manager said that the City of Washington provides water to Flanders Filters, Inc. and receives a portion of that water back as sewer. The domestic water for the plant goes to their on-site septic system and the process water comes to the City’s wastewater treatment plant. In order to account for this difference in flow, a sewer meter was installed in

addition to a water meter. However, our utility billing system does not have the capability to compare the two meter readings to determine if there is an error based on historic usage. When the sewer meter was installed Flanders agreed to read the meter in addition to the City reading it in an attempt to detect any errors that might occur. Over the past three years the sewer meter has started to malfunction and provide readings that resulted in overbillings. These errors were not detected by either party. Flanders has been given a twelve month credit of \$52,918.42, per City Code Section 39-51 based on the overbillings. Ron Shriver of Flanders Filters has requested Council's consideration of credit for the additional two years of overbillings (\$78,649.95) to be given in FY 2014/2015.

By motion of Councilman Pitt, seconded by Councilman Brooks, Council authorized the City Manager to give Flanders Filters, Inc. an additional two year sewer overbilling adjustment. Mayor Pro tem Roberson opposed and the motion carried 4-1.

Councilman Mercer asked staff to provide Council a listing of the number of automatic reading meters, manual reading meters and combination meters. City Manager, Brian Alligood explained that there was a batch of bad meters and we have gone back and traced those accounts.

APPOINTMENTS:
APPOINTMENTS – OF COUNCIL LIAISONS FOR BOARDS, COMMISSIONS
AND COMMITTEES

Mayor Hodges presented the following information for Council's appointments of liaisons.

Animal Control Appeals Board	Doug Mercer
Planning Board	Bobby Roberson
Board of Adjustment	Richard Brooks
Historic Preservation	Larry Beeman
Library Board	Bobby Roberson
Housing Authority	Mac Hodges
Recreation Advisory Committee	Richard Brooks
Tourism Development Authority	Bobby Roberson*
Washington Harbor District Alliance	Mac Hodges*
Human Relations Council	William Pitt
Electric Utilities Advisory Commission	William Pitt
Airport Advisory Committee	Doug Mercer
Waterfront Docks Advisory Committee	Mac Hodges

*Indicates a Voting Seat

Organizations with Council representative serving on board

Economic Development Advisory Board	Doug Mercer
NCEMPA	Doug Mercer
Mid-East Commission	Doug Mercer
Hwy 17 Association	Doug Mercer (Roberson alternate)
Partnership for the Sounds	Mac Hodges
Mayor's Association	Mac Hodges
Chamber of Commerce	Bobby Roberson

Councilman Mercer noted that every board listed either the Council appoints members or the City is a member by way of paying dues, with the exception of the Washington Harbor District Alliance. Council does not appoint that board and questioned why Council has a liaison for it. Mayor Pro tem Roberson suggested that this be discussed during the budget process. Councilman Mercer noted that he and Mayor Pro tem Roberson attends and doesn't see the need for a liaison. Brian Alligood noted that the liaison position is actually a voting position which would result in WHDA losing a voting member of their board. Councilman Mercer explained that when that board was originally formed the members (17) were appointed by City Council and this was tied to the Redevelopment Plan and the plans for downtown. As that plan came to fruition, the Harbor District Alliance began to appoint its own members and we have not appointed a member to that board in over four years.

By motion of Mayor Pro tem Roberson, seconded by Councilman Brooks, Council approved the appointments of the liaisons as presented.

APPOINTMENTS – VARIOUS BOARDS, COMMISSIONS AND COMMITTEES

Waterfront Docks Advisory Committee: (Three members inside City limits)

(Two members recommended by WHDA's Maritime Committee)

Upon nomination of Mayor Hodges and by motion of Councilman Mercer, seconded by Mayor Pro tem Roberson, the following people were appointed to the Waterfront Advisory Committee.

I move that the City Council appoint Doug Doscher to the Waterfront Advisory Committee with a term to expire June 30, 2015. (Maritime Committee recommendation)

I move that the City Council appoint Charles Hough to the Waterfront Advisory Committee with a term to expire June 30, 2015. (inside City limits)

I move that the City Council appoint Fred Watkins to the Waterfront Advisory Committee with a term to expire June 30, 2016. (Maritime Committee recommendation)

I move that the City Council appoint Ray Midgett to the Waterfront Advisory Committee with a term to expire June 30, 2016. (inside City limits)

I move that the City Council appoint Jeffrey Woolard to the Waterfront Advisory Committee with a term to expire June 30, 2016. (inside City limits)

Planning Board: Mayor Pro tem Roberson requested to continue this appointment until January.

Board of Library Trustees: Mayor Pro tem Roberson requested to continue this appointment until January.

ANY OTHER ITEMS FROM CITY MANAGER: None

ANY OTHER BUSINESS FROM THE MAYOR OR OTHER MEMBERS OF COUNCIL
REMINDERS:

Councilman Pitt reminded Council and the audience that this Saturday has been designated as “build day” by the Washington Housing Authority for the Kaboom Playground located at the Oakcrest Community. The Housing Authority has requested that the City waive the fees for an additional dumpster and trash/recycling pickup. Councilman Pitt stated that he has talked with Councilmembers and they have agreed to pay the fees “out of pocket” with a check to the City and not establish the precedent of waiving fees for any organization for any purpose. The build will begin at 8:00am and be dedicated at 3:00pm.

ADJOURN – UNTIL MONDAY, JANUARY 13, 2014

By motion of Councilman Mercer, seconded by Councilman Brooks, Council adjourned the meeting at 8:20pm until Monday, January 13, 2014 at 5:30pm in the Council Chambers at the Municipal Building.

Cynthia S. Bennett, CMC
City Clerk